

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7188**

**BILL NUMBER:** HB 1768

**NOTE PREPARED:** Jan 2, 2005

**BILL AMENDED:**

**SUBJECT:** Department of Tourism.

**FIRST AUTHOR:** Rep. Mahern

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** The bill terminates the establishment of a Department of Tourism and Community Development. The bill establishes the Department of Tourism and transfers certain tourism duties and programs to the Department. The bill transfers community development duties and programs to the Indiana Economic Development Corporation. It also makes conforming changes.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** This bill changes the reorganization of tourism and community development functions and programs scheduled to occur July 1, 2005, under current statute. Under current statute, the Indiana Department of Commerce (IDOC) is abolished effective July 1, 2005, and at that time the Indiana Economic Development Corporation (IEDC) is established to administer the state's economic development programs. In addition, a Department of Tourism and Community Development is established July 1, 2005 to administer tourism and community development programs (see *Background* discussion below).

The bill changes the reorganization of tourism and community development functions and programs by: (1) establishing a Department of Tourism within the Lt. Governor's office for all tourism programs currently under the IDOC; and (2) shifting all community development programs currently under the IDOC to the IEDC. The bill provides that the Director of the Department of Tourism is appointed, and serves at the pleasure of, the Lt. Governor. The bill also provides that the Director is an ex officio non-voting member of the IEDC Board. These changes are effective July 1, 2005, and are not expected to have any fiscal implications.

*Background:* P. L. 224-2003 established the IEDC and the IEDC Board, and transferred the responsibilities

of the Indiana Department of Commerce (IDOC) relating to economic development in Indiana to the IEDC as of July 1, 2005. P. L. 224-2003 provided that the IEDC is a body politic and corporate, an independent instrumentality and not a state agency. P. L. 224-2003 transferred the current duties of the IDOC relating to economic development to the IEDC on July 1, 2005. P. L. 224-2003 also made the entities listed below subsidiaries of the IEDC with oversight of the subsidiaries beginning on July 1, 2005. (Note: P. L. 224-2003 also made the Indiana Venture Fund, which does not exist, a subsidiary of the IEDC.)

- (1) Indiana Small Business Development Corporation.
- (2) Indiana Economic Development Council.
- (3) Indiana Development Finance Authority.
- (4) Indiana 21<sup>st</sup> Century Research and Technology Fund.

P. L. 224-2003 also transferred the current duties of the IDOC relating to energy policy to a newly created Office of Energy Policy on July 1, 2005. P. L. 224-2003 also established a Department of Tourism and Community Development on July 1, 2005, and transferred the current IDOC duties relating to tourism and community development to this agency.

Under P. L. 224-2003, as changed by P. L. 63-2004, the IEDC Board beginning July 1, 2005, is to be comprised of the following members: (1) the Lt. Governor; (2) 15 members appointed by the Governor who are employed in, or retired from, the private or nonprofit sector; and (3) 7 members appointed by the Governor who are employed in, or retired from, the private or nonprofit sector, or from academia. For one appointment each under (2) above, the Governor must consider the recommendation of Speaker of the House of Representatives, President Pro Tempore of the Senate, House Minority Leader, and Senate Minority Leader. For one appointment each under (3) above, the Governor must consider the recommendation of the presidents of Indiana University, Purdue University, Indiana State University, Ball State University, Ivy Tech State College, Vincennes University, and the University of Southern Indiana. Under P. L. 224-2003, IEDC Board members are entitled to a salary per diem equal to the per diem for members of the General Assembly for attending meetings. In addition, Board members are to be reimbursed for actual and necessary expenses on the same basis as state employees.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** Indiana Economic Development Corporation; Lt. Governor.

**Information Sources:**

**Fiscal Analyst:** Jim Landers, 317-232-9869.